

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 06213 161806Z

62

ACTION AGR-20

INFO OCT-01 EUR-25 IO-14 ISO-00 SWF-02 AID-20 CEA-02

CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00 RSC-01

CIEP-03 SP-03 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01

OMB-01 DRC-01 L-03 /137 W

----- 095326

R 161703Z AUG 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7357

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE EC BRUSSELS 6213

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, ETRD, EEC

SUBJECT: EC POULTRY PROTECTION

REF: A. STATE 175674; B. EC BRUSSELS 6092

1. BEGIN SUMMARY. WE CONVEYED THE POINTS IN REFTEL A TO EC COMMISSION'S EXTERNAL RELATIONS AND AGRICULTURE DIRECTORATES GENERAL AND REQUESTED A REDUCTION IN THE GATE PRICES FOR TURKEY PARTS. THE COMMISSION POULTRY SPECIALIST SAID THAT THE RATIONALE FOR THE RECENT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 06213 161806Z

INCREASES IN THE SUPPLEMENTARY LEVIES WAS TWOFOLD--THE COMMISSION

BELIEVES US OFFER PRICES ARE BELOW (A) US COSTS AND (B) RECENTLY INCREASED EC GATE PRICES. HE SAID THE STANDARD AMOUNT (ELEMENT B) OF THE GATE PRICES WAS INCREASED BECAUSE IT HAD NOT BEEN ADJUSTED SINCE 1962. THE US MAY EXPECT FURTHER INCREASES IN THE SUPPLEMENTARY LEVIES ON TURKEY PARTS. END SUMMARY.

2. ON AUGUST 14, A MISSION OFFICER CONVEYED THE POINTS IN REFTEL (A) AND THE USG'S REQUEST THAT GATE PRICES BE REDUCED TO BURGHARDT, CURRENTLY IN CHARGE OF THE EC COMMISSION'S U.S. DESK IN DIRECTORATE GENERAL I. BURGHARDT SAID HE WOULD CIRCULATE A REPORT ON THIS DEMARCHE TO THOSE CURRENTLY PRESENT IN THE COMMISSION. HE DID NOT, HOWEVER, THINK THAT WORK COULD BEGIN ON A SUBSTANTIVE RESPONSE UNTIL AUGUST 27, WHEN FIELDING, THE COMMISSION'S DIRECTOR FOR NORTH AMERICAN AFFAIRS, RETURNS.

3. ON AUGUST 13, WE EXPLAINED TO VAN AGTMAAL, RESPONSIBLE FOR POULTRY IN EC COMMISSION DIRECTORATE GENERAL VI, THE US GOVERNMENT'S REGRET OVER THE RECENT DECISION BY THE COMMISSION TO INCREASE THE SUPPLEMENTARY LEVIES ON TURKEY DRUMSTICKS AND BREASTS; AND WE STRONGLY URGED THE COMMISSION TO REDUCE THE GATE PRICES ON THESE TURKEY PARTS, AS PER REFTEL (A).

4. VAN AGTMAAL APPEARED TO EXPECT THIS DEMARCHE. HE SAID THAT, BASED ON A COMPARISON BETWEEN INVOICE PRICES OF US TURKEY PARTS AND PRICES RECEIVED BY FARMERS FOR TURKEYS AS REPORTED IN THE USDA POULTRY AND EGG SITUATION, US EXPORTERS MUST BE OFFERING AT LESS THAN COST PRICES. HE ALLUDED TO THE COMPARABILITY OF THE US AND EC TURKEY INDUSTRY CRISIS AND SAID THAT THE EC COULD NOT STAND BY AND LET THE US EXPORT ITS TURKEY CRISIS TO THE COMMUNITY.

5. VAN AGTMAAL EXPLAINED THAT THE GATE PRICE INCREASE WAS BASED PRIMARILY ON AN UPWARD ADJUSTMENT IN THE STANDARD AMOUNT, I.E., THE SECOND OR FIXED ELEMENT REPRESENTING ALL OTHER FEED, PRODUCTION AND MARKETING COSTS. HE DECLINED TO REVEAL WHAT THESE COSTS WERE BUT SAID THEY TOOK ACCOUNT OF MARCH-APRIL DATA IN THE U.S. THIS ELEMENT HAD NOT BEEN ADJUSTED FOR CHANGES SINCE 1962. HE SAID THAT IT WOULD BE REVIEWED ANNUALLY FOR NECESSARY ADJUSTMENTS FROM NOW ON. COMMENT: THE CHANGES IN METHODS OF CALCULATING THE GATE PRICES AND LEVIES WERE A SURPRISE BECAUSE THE USG FOR SEVERAL YEARS HAS URGED A CHANGE IN THE VERY UNREALISTIC FEED CONVERSION CO-EFFICIENTS. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 06213 161806Z

THE COMMISSION ITSELF PROPOSED SUCH CHANGES SEVERAL YEARS AGO. END COMMENT.

6. VAN AGTMAAL WOULD WELCOME ANY DATA THAT WE COULD PROVIDE TO INFORM THEM OF US COSTS. FOLLOWING ARE THE US CIF OFFER PRICES THE COMMISSION HAS TAKEN INTO ACCOUNT FOR THE RECENT ADJUSTMENTS IN THE SUPPLEMENTARY LEVIES:

DATE	OFFER PRICE
------	-------------

(DAY, MONTH, YEAR) (U.A./100 KGS.)

TURKEYS

02.02 AIV 1-7-74 74-83

1 HALF AND 1 QUARTER TURKEYS 18-2-74 78.58

02.02 B II A) 4 12-4-74 69.1

BONED POULTRY 18-2-74 138

02.02 B I 12-4-74 121

24-6-74 85

14-7-74 80

BREAST

OF TURKEYS 13-5-74 144

02.02 B II A) 2 24-6-74 116

DRUMSTICKS 13-5-74 69-74

02.02 B II E) 2 AA) 24-6-74 60-69

14-7-74 70-71

OTHER LEGS OF TURKEYS 18-2-74 130-110

02.02 B II E) 2 BB) 18-3-74 135-136

12-4-74 118-113

24-6-74 92-61

LEGS OF OTHER POULTRY 14-7-74 70

02.02 B II E) 3

7. VAN AGTMAAL SAID ADDITIONAL INCREASES IN THE SUPPLEMENTARY
LEVIES COULD BE EXPECTED.

8. ON ANOTHER SUBJECT, HE SAID THAT THE EC HOPES TO EXPORT
20 TO 35,000 TONS OF FROZEN BROILERS BETWEEN AUGUST AND THE END OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 06213 161806Z

OCTOBER WITH THE ASSISTANCE OF THE EXPORT SUBSIDIES REPORTED IN
REFTEL (B). JOHNSTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POULTRY, AGRICULTURAL POLICIES, IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU06213
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740226-0503
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740842/aaaabjsn.tel
Line Count: 156
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. STATE 175674; B. EC BRUSSELS 6092
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by shawdg>; APPROVED <26 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC POULTRY PROTECTION
TAGS: EAGR, ETRD, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005